G R S 58]

Previous references. 1924

Later references.
Geol 73-25
61-25
71-26(1 i)

GENERAL AND REVENUE SECRETARIAT
Geol

l Nos. 8

Part B for Feb

SUBJECT

Renewal of Prospecting licence for Mang
ane

Director of Geology
States that the applications question
may be

Dte to Govt

G. R. S. III-21

General and Revenue Secretariat.

Geol File No. 26 of 1923

Serial No. 7

In the file re grant of P.L. to the United Steel Co

From the Offg Director of Geology
760 G 13-11-23.

Recommends that sanction may be accorded to the (1) granting a fresh prospecting license to the United Steel Cos Ltd for manganese ore a certain block of land in Kumsi Sub Taluk (2) renewal of prospecting licenses nos 590 and 591.

A fee of Rs 25/- for the grant of a fresh prospecting license over the varied area has been paid and also the penalty of Rs 25/- for each of the two prospecting licenses nos 590 & 591 have been paid for not having applied for their renewal within the prescribed time have been paid. A draft sanctioning the recommendation of the Director is putup for approval or other orders

Asst.
22-11-23.

2 Phase put up in the Rules Governing the case
SM 22/11

3 Submitted with a copy of the Rules.

Asst.
23-11-23.

4 The Director recommends sanction to the renewal on the ground that the prospecting licenses were issued before the order of Govt reserving manganese, among other minerals was passed and that the works have not yet begun. He claims — It is for orders whether the licenses may be renewed as a special case
Rev Secy) SM 23/

G. R. S. III-21

General and Revenue Secretariat.

Geol File No. 26 of 1923.

Serial No. 641/24 11.23.

Secd Secretary 24/11/23

SNR 24/11

To Submit a draft reply to the Director regarding that an area has been reserved in favour of the State for ~~exploitation~~ under a prospecting license or a renewal of an existing license can be considered in respect of this request

To draw the attention of the Director of Mines regarding rules of prospecting licenses whereby owners have a right to claim the renewal of the license if they have satisfied the conditions of the prospecting license and to ask him to forward a list of the licenses with details of the area of each

To inform the applicant that the application of the Tumkur Steel Company Ltd has been rejected on the grounds

4/12

18/12

SNR 18/12

Submitted

In July 1919 an area within a radius of 13 miles from Agasnur in the Shimoga District was reserved in favour of the Workington Iron & Steel Co Ltd (predecessors of the United Steel Cos Ltd) with the exclusion of an area of one mile round Beekonahalli which

G. R. S. III-21

General and Revenue Secretariat. | Govt File No. 26 of 1923

Serial No.

was exclusively reserved to Govt. Govt declared that they would give the company from time to time at discretion prospecting blocks within the area reserved in their favour

1) When manganese & other minerals were ordered to be reserved throughout the State in January 1923 the United Steel Companies Ltd represented that the reservation of manganese may not be applied to the above area reserved in their favour. In their reply dated 28-2-23 Govt stated that the company would not be deprived of their right for preferential treatment for the grant of licences & leases over the area in question. vide Govt File no 79-22. Sl. 1-3

In Govt file 79-22 the Govt submitted their proposals vide D no 1547 in connection with the representation of the United Steel Companies Ltd in the matter of reservation of Bicholim area (exclusively reserved in favour of Govt), and head from Govt I

11) In their circumstances orders are solicited whether the Director's recommendation may be approved.

Put up

Asst 23-11-23.

11) This is in Geological file no 36-18-14. Please bring up. SND 29/12

Read 12

Geol. File no 36-18 (Sl 14) has been submitted vide D no 1547. Separately.

Asst Secretary to Govt 27.1.23

Asst 31-12-23.

For orders. SND 2/1

Rev Secy)

14 II (Members)

SND 4/1

28/4.1.24.

15 Please put up file 79-22 Govt's letter dated 28/2/23 & the Director's report & above

. R. S. III-21

General and Revenue Secretariat.

Gen'l File No. 26 of 1923

Serial No.

16 The United Steel Company Limited have applied for the renewal of certain prospecting licenses for manganese which has been granted in respect of which the licences have expired.

17 In this connection, on the general question raised by the renewals of prospecting licenses in respect of reserved minerals, it has been decided (with the Secretary of State's approval) that the renewals of prospecting licenses being subject as in the case of first renewals to the same terms in respect of the reserved minerals. Applications received for the renewal of prospecting licenses relating to reserved minerals, for the renewal of licenses are accordingly rejected in accordance with the above decision.

18 The question now for consideration is whether the United Steel Company should be given Exceptional treatment by reason of the preferential rights which they have already exercised to have mineral licenses granted to them and if so, how far any case to the application for renewal of the licence should be dealt with, taken from regarded as an incident to the long

G. R. S. III-21

1960 5

General and Revenue Secretariat.

Rev File No. 16 of 19 23

Serial No.

REVENUE 29 JAN 1924 SECRETARY.

DEWAN'S OFFICE Recd. on JAN 29 Reg. No. 5298

REVENUE 30 JAN 1924 SECRETARY.

In grant of a prospecting right to the Company does not take away the power of Govt to reserve the minerals in the lands and to refuse the renewal of the prospecting licence if Govt desire to grant a mining lease to any other Company or applicant, in case it finds on enquiry in the case that the prospecting licensee has not done the work in accordance with the terms of the licence, the Company's application for renewal of the prospecting licence will have to be rejected.

Dewan 28/1/24

20 The question is if the refusal in the manner prescribed by statute should be in case where the prospecting licensee has not done the work in accordance with the terms of the licence

21 [illegible] 29/1 SMD 29/1

G. R. S. III-2,

General and Revenue Secretariat. | Geol File No. 26 of 1923.

Serial No.

21

The application of Mr. M. Lakshminarayana Jois. for the renewal of his prospecting licence for mica in the Chickmagalakanhalli Taluk has been rejected by Govt. A copy of the communication issuing instructions to the Director of Geology in dealing with such applications in future is put up for perusal

22

Another communication received from the company requesting that Beckonahalli area which has been exclusively reserved to Govt. in the Agnimukha area may be thrown open to the company for obtaining prospecting licences & mining leases in that area & that the rates of royalty on manganese may be reduced is being dealt with separately. vide D no 3

ABS. 31-1-24.

22

Please put up this file when the Dewan has agreed to members - Subject re the defence of such cases

SM 3/2

24

Submitted with connected Geol file no 57-23.

ABS. 5-2-24.

25

For orders with ref to the Dewan's orders in Para 20 of the Note.

SM 8/2 KG 10/2

26 (Rev Secy)

11 Members

Dewan

SM 11/2

480

7

G. R. S. III-21

General and Revenue Secretariat. | Geol File No. 26 of 1923.

Serial No.

27

The present reps on behalf of the recovers of these licenses nos 589, 590 & 591 have been sent to us & we do not like to say in any hasty terms of their company or on their any share. From now on this licenses & this area (Extent) concerned of them.

16/2

18/2

SM

18/2

28

Prospecting licenses nos 589, 590 and 591 to the only three licenses issued to the company.

1) PL no 589. over one sq mile in Kumsi Hobli Tk.

2) PL no 590 do

3) PL no 591 over four sq miles in Shimoga & Kunthehalli

Mining leases held by the company for mongo

i) ML no 141. over one sq mile in Shimoga Tk

ii) ML no 142 do

A prospecting licence for manganese ore for by the company over two sq miles of land in Bekkonahalli area (which has been exclusively reserved Govt) was rejected by Govt in August 1923, as the Director, Mysore Iron Works, who was consulted in the matter, stated the area might be continued to be reserved. But the company have again requested us a reconsideration the above order. That reference has been submitted separately with D no. 3298.

AKS 18 2-24

31 Our opinion with reference to the

SM 18/2

Rev Secy

SRR

Serial No.

33

(para 20)

With regard to the question raised by the Dewan in his minute dated 30th January 1924 whether the reservation of certain minerals by Government in accordance with the Government Order dated 29th January 1923 will justify the rejection of applications for the renewal of prospecting licenses granted prior to the date of the above order, I may state that, on the opinion expressed by me that the renewals of prospecting licenses being entirely at the discretion of the Government under Rule 18 of the Rules for the grant of exploring and prospecting licenses and mining leases all applications for renewal in respect of the reserved minerals might be rejected, the Dewar expressed his agreement with my view and in accordanc with it, 3 applications for the renewals of prospecting licenses received from the marginally noted individuals have been rejected till now (Vide statement No. II), while 6 applications are still pending with Government for orders as shown in annexed statement No. III. Besides, 23 fresh applications for prospecting manganese have also been rejected as per statement No. I.

(1) Mysore Minerals Ltd.
(2) Mr. B. Hutchappa.
(3) " M. Lakshminarayan Jois.

34

2. It has been brought to notice that some of the holders of the prospecting licenses have spent considerable amounts on prospecting work in the expectation of obtaining further renewals of the prospecting licenses, and securing mining leases and that the

Serial No.

the refusal of Government to sanction the renewals of those licenses has subjected them to considerable hardship. Though as stated by me in my note dated 10 Dec'ber unfile n 57-23 Government have full power under the Rules in force either to sanction or reject at their discretion applications for renewals of prospecting licenses, it must be admitted that there is considerable force in the representations made by the licensees regarding the hardship caused to them by the unexpected rejection of their renewal applications without any previous warning or intimation to them of the intentions of Government. In the circumstances I think that as a measure of fairness and equity, in dealing with applications for renewals of prospecting licenses in respect of the reserved minerals, an exception may be made and the renewals sanctioned in the case of persons who have already done a good deal of prospecting work and spent an appreciable amount of money thereon in the expectation of obtaining the renewal of their licenses or securing mining leases in respect of the blocks covered by the licenses.

15

3. I would also recommend that as has been decide in the case of chrome, fresh applications for prospecting licenses in respect of manganese may also be entertained and sanctioned and that the ~~grant~~ issue of the fresh licenses as well as the renewals of the ~~previous~~ Executive

Serial No.

previous licenses ~~being~~ may be subject to the same conditions ~~that~~ as have prevailed for some - namely (1) that the licenses will be renewed from year to year for a period of three years (2) ~~and~~ that the grant of these licenses will not give the licensees the right to apply for and obtain a mining lease in respect of the area covered by the licenses (3) ~~and~~ that the Government will have the first right to purchase the minerals at a fair market value if it is required by them for industrial purposes. (4) That in addition to the royalties now 25% of the net profits should be taken for the

4. The application made by the United Steel Company for the reduction in the rate of royalty now charged for manganese may also be considered. In this connection it is stated by the Director of Geology that the rates of royalty charged by us now for manganese are considerably high as compared with the rates obtaining in British India and other parts. (Vide para 18 of his letter dated 26th January 1924). It is represented by the Company that it is ~~absolutely~~ impossible for them to work the ore - particularly the low grade ore - at the present rate of royalty and that if it is reduced they would be prepared to guarantee royalty on 20 000 tons annually every year. The Director of Geology strongly supports the recommendation of the United Steel Company. This Company has sunk a very large amount of capital in the manganese industry in the State and their representation is therefore deserving of the sympathetic consideration of Government. In the circumstances and

Serial No.

and in view of the guarantee made by the Company of payment of royalty on 20,000 tons a year for a period of 5 years, I would recommend that the recommendation made by the Director of Geology in favor of the Company in para 20 of his letter dated 26th January 1924 may be approved with some modifications as detailed below:-

(i) Fresh licenses or renewals of existing licenses to be sanctioned to the Company subject to all the conditions mentioned in para 3 above

(ii) Rate of royalty payable by the Company on low grade manganese ore to be reduced to 6 annas ton, the rate for high grade ore being left unchanged;

(iii) The Company to guarantee a minimum output and ~~export~~ of and payment of royalty on 20,000 tons of ore annually for a period of 3 years.

Dewan

Item No (11) 36 may be enforced

37 Why should "may be" paragraph on new licenses Please see below

Serial No.

If Tenders tenure 4
a standard has to be
fixed as
1 3 years satisfactory
working
2 Enhancements
all round — & equally —
in the post
38 In all cases of renewal
5 years limit after
— restricted to the
unpaired area of the mining
lease (a) as the rights
of
L S
Jeep/3 SMR 4/3

Friends,

39 I agree & in case I a general
order on the lines suggested & Secretary
after in case of the order. In case the
Tenders that any area be denied under
~~the standing~~ Standing Order I mean if they apply
for any special terms & conditions
40 A Single order may be passed on
a consolidated Report

41 Time and Mg for
7/3 2/3 Rec'd 7.3.23 SMR 8/3

U.R.S. III-21

General and Revenue Secretariat.

Gen File No. 26 of 1923

Serial No.

43) Submitted with a draft
Asf
8-3-24.

44) Draft of a General order [illegible] as desired in para 39 of the Notes Supra.

45) A similar order relaxing the rules re Prospecting licenses for Chrome was submitted in P.W. before issue of it is for Carnatak Whether this may also be submitted likewise

SND 18/3
Rev Secy
45) Chan draft
Pol Sec 18/3 SND 16/3

47) Submitted with fair draft
18/3/24

SND 18/3
Rev Secy 45) Chan appr
Pol Sec SND 19/3

4774.
19.3.24

49) A draft order in the terms suggested in the Darwar minute of 2/3/24 is put up

50) It may be desirable to consult

General and Revenue Secretariat. | File No. | of 19

Serial No.

... Devan ...

22 MAR 1924
6881

Dewan

57) May be considered ...

29.3

52) Ch. Secy with Compliments

Circulate

31/3

31/3/24

(For Disposal at a Meeting)

No. C. 407
of 1923-24

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause XII of the schedule)

Renewal of prospecting license for Manganese.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

2nd April 1924.

Chief Secretary to Government.

Extraordinary Member of Council.

8613/7/4 First Member of Council. 12/4

Second Member of Council. 3.4.24 4/4

Third Member of Council.

N O T E

53) In his letter dated 1st April to the Dewan, Mr. Valentine of the United Steel Companies Ltd., has represented that the rates of Royalty now fixed for manganese are so high that it is impossible for the lessees to work the mines at this rate and he has asked that either the rates of royalty may be reduced or that the Government may go shares with the company, sharing their losses as well as the profits.

54) The second alternative, of the Government taking part in the work of the company and sharing its losses or profits is quite impracticable and may therefore be left out of consideration.

55) As regards the representation for reduction in the rate of royalty, I solicit reference to my minute dated 29th Feb. 1924, contained in the accompanying file, on the question of the relaxation of the restrictions against the issue of licenses for manganese as also of the reduction in the rates of royalties asked for by the United Steel Company. In this minute I had suggested that fresh licenses might be issued for manganese on the same lines as those recently decided on in respect of chrome and that so far as the United Steel Company is concerned the claim for a share in the net profit may be waived and the rate of royalty on low grade ore reduced to 6 annas per ton, provided the company guarantees a minimum output of and payment of royalty on 20,000 tons annually for 3 years.

56) Since the above minute was recorded by me, I have had occasion to discuss further the question of manganese industry with Mr Sen (Officiating Director of Geology) and also others: and I have been given to understand that unlike chrome manganese is not so paying and that it is now unlikel that any body would be prepared to offer us a share of the

net profits in addition to the prescribed rate of royalty on manganese. I was also informed that the present rates of royalty were themselves too high and that unless they were reduced, it will not be possible for the ore to be worked, as the margin of profit was so narrow that a few annas made all the difference between working the mines at a loss or at some profit. In these circumstances, I am inclined to think in modification of the views expressed by me in my minute dated 7th March, that the procedure which we have recently decided to adopt for chrome cannot be made applicable to manganese. I would therefore now suggest that the reserva tion in respect of manganese may be continued but with the following provisoes:

(i) With regard to prospecting license ~~which~~ which had been issued before the reservation was ordered by Government in January 1923 and in respect of which the licensees have done bona fide prospecting work, in expectation of obtaining a renewal of the licenses or a mining lease, the licenses may be continued from year to year at the discretion of Government, but without the right to the licensees to get a mining lease.

(ii) That, in respect of the United Steel Company, their case may be treated as an exceptional one for the reasons noted by me in para 4 of my note dated 29th Feb 1924 and dealt with in the manner proposed by me in the concluding portion of the minute.

19/4/24

57/The case may now be examined

9074/29/4

Chelpeg 58) examined 23.4

by 1st Member.

27/4

~~15~~ 9 C407

Subject.

Renewal or prospecting-license for manganese.

OPINION OF THE COUNCIL.

61) To be remarked and Member
Secretary the next
meeting dy
29/5) ve

699/30.5 and Members) 29/5 Ve

Subs 62) Discussed in Council - Some members agree but
29/6 Draft Rest of the business
proceed & general agreed
the proposed (circulated
dy
(1/27/6 and Members) 6/6 dy

Serial No.

637 As suggested at the Council meeting, I con
sulted the Director of Geology in the matter of
fixing a ~~steady~~ sliding scale of royalty for manganese (a
well as for chrome) based on the market price or
unit contents of the ore A copy of reply received
with his D O No 2146 dated 19/21st June is here
with put up. In this letter in which Mr. Sen deals
exhaustively ~~on~~ with the subject, he has, after briefl
reviewing the changes made in the rates of royalt
in force in the State from time to time since 19
suggested 4 alternative methods for the calculati
of royalty on manganese as well as chrome. So fa
however, as manganese is concerned, it will be ob
served (vide paras 6 and 7 of the letter) that he
margin of profit at the present prevailing rate
for the ore is not ~~doubt~~ much and that it is not worth w
adopting any elaborate method of calculation to
the recovery of royalty. In respect of the low
grade ore (below 44%) Mr. Sen's letter confirms
the view expressed by me already in my minute
dated 29th February that it cannot stand a royalty
of more than 6 annas per ton and ~~that~~ in respect
of high grade ore, the royalty of Rs.1-4-0 per to
now prescribed by Government is as much as it can
considering that the manganese ore found in Mysor
50% grade and is ordinarily much lower. rarely exceed

64) In the circumstances, I would suggest that the proposals made by me already in my minute dated 29th February 24 may be approved I would further suggest that the rate of 6 annas per ton for ~~bonafide~~ low grade ore may be made applicable not only to the United Steels Company but to other license also who may be prepared to guarantee a minimum quantity (of say 3,000 tons a year) so that Govt. may not be accused of being partial to the U.S. Company. I have suggested a smaller minimum to b guaranteed by the other licensees as the minimum 20,000 tons guaranteed by the U.S. Company inclu the quantity to be worked from the new blocks tc be leased to them as well as the old blocks for whic they already hold leases.

65) For the purpose of ready reference, I may re-produce my proposals here, which are as follo

(1) The reservation of manganese to be conti ed. No fresh prospecting licenses to be issued respect of this mineral.

(2) An exception to be made however, in the case of the U.S. Company to whom prospecting licenses may be issued in the area reserved for them and renewed from year to year for a period of 3 years.

(2) In respect of prospecting licenses alrea

Serial No.

issued, renewals to be sanctioned for a period of 3 years to licensees who have done a considerable amount of bonafide prospecting work and spent money thereon in the expectation of obtaining a a renewal of the license or of getting a mining lease.

(3) The prospecting licenses issued under (1) and (2) to be subject to the following conditions:

(a) They will not carry with them a right to the grant of mining leases.

(b) Government should be given the first right of purchase of the ore at the market price if it is required by them.

(c) Royalty will be payable at the rate of ~~10~~ 12 annas per ton on low grade (below 44%) and Rs.1-4-0 per ton on ore of 44% and above, provided that royalty will be recovered on ~~bonafide rate~~ low grade ore at 6% annas per ton (i) from the U.S. Company if they guarantee royalty on a minimum of 20,000 tons annually from both the old and new blocks, and (ii) from the other licensees if they guarantee royalty on a minimum of 5,000 tons annually from the blocks licensed to them.

Dewan
Generally agree
667 may be considered
to C
accordingly
1928
26/7/24

21

(For Disposal at a Meeting)

No. C. 407

of 1923-24.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule.)

Renewal of Prospecting license for Manganese.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

29th July 1924.

Chief Secretary to Government.

Extraordinary Member of Council.

First Member of Council.

Second Member of Council.

Third Member of Council.

Extract from the Proceedings of the 706th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 21st August 1924 *19*

34. Subject. -

Renewal of prospecting licenses for manganese.

67

OPINION OF THE COUNCIL.

Manganese may continue to be reserved except in the case of applications for renewal of prospecting licenses current before the reservation In the case of these the renewal will be subject to the condition that it will be from year to year and for not more than 3 years, and that there will be no right to mining leases. The other conditions proposed in the Second Member's Minute may be agreed to except as regards reduction of royalty on low grade ore.

(Signed) A. R. BANERJI,

Dewan of Mysore.

Note:-

The question of the reduction of royalty to be further scrutinised.

"EXTRACT"

Subject to 2nd Member for final note

6
27/8

Chief Secretary to Government. 68

Final note signed by the Members placed in the p

WD 1471—GPB—2,000—1-3-21

2618

G R S. III-2]

General and Revenue Secretariat.	File No.	of 19

Serial No.

69) J. N. Submitted
(Dewan)
&
Vcl

Final Note by the Second Member of Council.

214

Subject:—

Renewal of prospecting licenses for manganese ore.

20 The manganese ore in the State has been reserved for Government in Order No. I. & C.4728-34/Geol.47-22-8 dated 29th January 1923. Since this order was issued, a large number of applications for prospecting licenses for this mineral was received and all these were rejected. A few applications which were received for the renewals of the prospecting licenses already issued were also rejected on the ground that it was open to Government to renew the licenses or not at their discretion and that the licensees were not entitled to claim renewal as a matter of right. Some of these licensees whose applications for renewal were rejected have, however, applied for a reconsideration of the matter on the ground that they had incurred heavy expenditure over the exploitation of the mineral in the expectation of obtaining a renewal of their licenses or a mining lease according to the Rules and that they would be put to great loss if their licenses were not renewed. The United Steel Company, Ltd. of Shimoga, which is the pioneer of the manganese industry in the State have urged not only for the renewal of certain prospecting licenses which they had obtained prior to the issue of the order of January '23 but also for the grant of fresh licenses in the area comprised within a radius of 13 miles from Ayanur in the Shimoga District which had been specially reserved for them and in respect of which they had been given a definite assurance that they would be given preferential treatment in the grant of prospecting and mining - leases over the area and that applications from them for prospecting and mining licenses in the area would be considered when received. The company have also represented that the present

28

rates of royalty (Re.1-4-0 on high grade ore and 12 annas on low grade ore) are too high, particularly in respect of the low grade ore and have requested that these rates may be reduced in which case they have offered to guarantee royalty on a minimum quantity of 20,000 tons of low grade ore annually.

71) 2. When the papers came before me I expressed it as my opinion, after a ~~careful~~ consideration of the question in all its ~~asps~~ aspects, that the restriction in respect of ~~the~~ manganese might be withdrawn and the issue of fresh licenses as also the renewal of licenses already issued might be sanctioned on the same terms as those recently laid down for chrome and that ~~the~~ a concession might be shown to the United Steel Company in respect of the rate of royalty by reducing it ~~to~~ 6 annas per ton for low grade, provided they guaranteed a minimum output of 20,000 tons as agreed to by them. The question was thereupon discussed in Council and it was considered desirable to obtain some further information regarding the basis for the calculation of royalty and the adoption of a sliding ~~scale~~ scale before arriving at a final decision in the matter. This information having been obtained from the Director of Geology, I found that the adoption of a sliding scale was attended with practical difficulties and that the rates of royalty now prescribed by Government were as high as the ore can bear at the present market value. I considered it , however, desirable to continue the reservation of manganese for the present but subject to certain restrictions and I accordingly formulated the following proposals in my minute dated 26th July 1924 for consideration in Council:

(1) The reservation of manganese to be continued except in respect of the area within a radius of 13 miles from Ayanur reserved for the United Steel Company, Ltd. to whom prospecting licenses may be issued over this area and renewed from year to year for a period of 3 years.

(2) In respect of prospecting licenses issued prior to the Government Order of January 1923, renewals to be sanctioned for a period of 3 years to licensees who have done bonafide prospecting work and spent money thereon in the expectation of obtaining a mining lease.

(3) The prospecting licenses issued under paras (1) and (2) above to be subject to the following conditions:-

(a) They will not carry with them a right to the grant of mining leases.

(b) Government should be given the first right of purchase of the ore at the market price, if it is required by them.

(c) Royalty to be paid at the present sanctioned rates viz 12 annas per ton on low grade ore (below 44 p.c.) and Rs.1-4-0 per ton on ore of 44 p.c. and above the rate on low grade ore being however reduced to 6 annas per ton subject to the guarantee of a minimum output of 20,000 tons in the case of the United Steel Company, Ltd. and of 3,000 tons in the case of other licensees.

72) 3 The proposals were discussed at the meeting of the Council held on the 21st instant when it was resolved that manganese might continue to be reserved except in the case of applications for renewal of prospecting licenses current before the reservation, that the renewals might be sanctioned subject to the condition that it would be from year to year and for not more than 3 years and that there would be no right to mining lease and that the other conditions proposed by me may be agreed to except with regard to the reduction of royalty on low grade ore, this question being reserved for further scrutiny after obtaining particulars regarding the recent fluctuations in the price of the ore.

27

73/4 I beg to submit the resolution of the Council for the gracious approval of His Highness.

SECOND MEMBER OF COUNCIL.

25-8-1924.

Submitted to His Highness.

25

74 *I submit herewith a Final Note by the* SECOND *Member of Council on the subject of* renewal of prospecting licenses ior manganese ore.

for His Highness' gracious approval.

Dewan

75) Statement "A" which forms an enclosure to Mr.Sen's note of the 13th instant gives information as regards the blocks from which manganese has been mined in the past. The number of blocks over which licenses or leases are at present current is 31. The number of blocks in respect of which licenses or leases have expired and not been renewed is very much larger. The total quantity of ore extracted up-to-date is 575,348 tons. Out of this 486,068 tons have been exported Manganese ore as it is sold in the market is graded into 2 classes, High grade and Low grade. The high grade ore contains 48 per cent and above of manganese and low grade 46 to 48 per cent. The manganese ore found in the State is generally of low grade, not containing more than 44 per cent of manganese High grade ore, may be available in small quantities in particular localities but they are not sold as such but are utilised for blending with ores of inferior description so as to find a sale for the low grade ore.

76) In the months of May and June last the price of manganese ore of the first grade slightly went up, i.e., from 24d. for a unit to 25d. It has since come down to 23d. The price of the second grade ore was 21d. per unit in May, it went up to 22d. in June and to 23d. in July. It has now come down to 22d. These facts show that the demand for manganese is good. It is very likely that the prices may go down if the negotiations of Soviet Government with the British Government end successfully for then large quantities of ore from Central Europe and Russia will come into the market. If therefore an impetus is to be

given to the development of manganese mining in the State action will have to be taken immediately

77) The next point to be considered is what scope there is for developing manganese mining at present. Mr.Sen reports that all the important manganese ~~blocks~~ blocks in the State are held by private agencies under leases or licenses. Of the remaining free areas there are only a few localities in the districts of Shimoga, Chitaldrug and Tumkur which are worth consideration judging from the number of years they have been worked and the quantity of ore exported. Of these the most important is the Joldhal-Hosahalli block from which 31,000 tons was extracted and 21 500 tons was exported. The Chairman of the Board of Management of the Mysore Iron Works desires that the following manganese ~~blocks~~ should be reserved for the future use of the Mysore Iron Works:-

1. A small special reserve of three miles round Bikanahalli selected in August 1919 out of the large area lying within a radius of 13 miles round Ayanur.
2. All the blocks situated either on or in close proximity to the Bhadravati Joldhal Tramway.

It will thus be seen that the Joldhal-Hosahalli block and other blocks which are situated on or close to the Joldhal-Bhadravati Railway cannot be given away for exploitation. Further development may be possible in respect of areas in Tumkur and Chitaldrug Districts. It is reported that these blocks are situated in close proximity to the Bangalore-Harihar railway line near Banavar and Amartapur Railway Stations. Mr.Sen expresses a doubt whether 30 to 40 thousand tons of ore could be obtained from all the available free areas. If

we exclude from the free area the blocks that have to be reserved for the Mysore Iron Works the remaining areas may not be able to produce a large quantity of manganese annually. The information available on this point is however inadequate and further enquiries are necessary.

79) As regards the probable profits which may be obtained from the different grades of ore not much information is available. The real difficulty is that the Mining Journals do not give quotations for ores containing less than 46 per cent of manganese. Mr. Sen has prepared a statement assuming the prices for the lower grades on the basis of the prices for the higher grade. The profit on the sale of ore of 44 per cent is estimated at 25.3 sh. per ton, of 42 per cent at 15 sh. per ton and of 40 per cent at 5.3 sh. per ton. On ore of lower percentage than 40 there is loss. For instance on ore of 38 per cent the loss is 10 sh. per ton and on 36 per cent ore 18 sh. per ton. Mr. Sen observes that if a forward contract is entered into, with a certain minimum quantity of export every year, for a period of two or three years it may be possible to reduce the shipping and railway freight and also exchange rates from the Banks.

80) In view of the inadequate information available Mr. Sen observes that before any definite opinion is pronounced in regard to a manganese export industry the prices of ores ranging from 36 to 46 per cent have to be ascertained from the leading purchasers of minerals in Europe. As adequate information is not available in the departmental records as regards

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the capacity of the free areas Mr.Sen suggests that the free areas should be surveyed and the approximate quantities available should be estimated. Samples should be taken from the different areas and analysed

31) The main points for orders are;

(i) Deputing an officer to visit all the free areas, to make a rough survey to ascertain approximate quantities available and to get the ores in each block analysed.

(2) To ascertain from the European dealers in manganese the quotations for the different classes of ores.

32) There is another point also for consideration which is the subject matter of the file which is put up below. Kind reference is invited to the Final Note ~~x~~ put up by the Second Member of Council on the 25th of August. The question of partially relaxing the restrictions imposed on the mining of manganese has been discussed in that file. At the Council Meeting held on the 21st August it was resolved that manganese might be continued to be reserved except in the case of applications for renewal of prospecting licenses current before the reservation, that the renewal might be sanctioned subject to the condition that it would be from year to year that not more than three renewals would be given, and that there would be no right to mining leases. There was a proposal to reduce the Royalty on lower grade but this question was reserved for further scrutiny pending receipt of correct information regarding prices. This information has since been received and as has already been pointed out above the prices

(Continued in p. 36

REPLY

(To be written on this margin)

Ø.Ø.No.M.C. 196/24

Office of the Dewan of Mysore.

NOTE.

Dated 15th September *1924*.

Copy of letter No.1231 dated 12t September 1924, from Sir M.Visvesvaraya, is forwarded, with compliments to the Revenue Secretary to Government for being kept in the file relating to Manganese Blocks which has to be brought up before Council for further consideration.

Copy of letter No.1231 dated 12th Septr.1924, from Sir M.Visvesvaraya, 3 Warden Road,Bombay,to the Dewan of Mysore.

In continuation of my letter No.1166 dated the 3rd September, I write to state that the manganese areas reserved for the future use of the Mysore Iron Works are the following:---

1. A small special reserve of three miles round Bikanahalli selected in August 1919 out of the large area lying within a radius of 13 miles round Ayanur.
2. All the blocks situated either on or in close proximity to the Bhadravati Joldhal Tramway.

Although there is no demand for high manganese ore at present, it is possible that the need for it may arise in future if it should be found practicable to manufacture ferro manganese in our furnace. I should therefore suggest hat the above mentioned areas may continue to be treated as reserved for the Mysore Iron Works against possible future developments. The Mysore Iron Works have no objection to the grant of licenses to the Workington Iron and Steel Co., for the exploitation of manganese in other areas.

I return herewith the enclosures received with your D.O.letter No.M.C.143 dated the 27th August 1924.

REPLY

(To be written on this margin)

Urgent.

To 56

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Office of the Dewan of Mysore.

NOTE.

Dated.... 16th September.....192 4

The accompanying notes on the Manganese industry in Mysore are forwarded, with compliments, to the Revenue Secretary to Government with reference to my personal instructions. The file on the subject, which has been forwarded to the Local an Legislative Secretary for opinion, may b obtained and brought up for urgent consi deration in Council.

16/9

ue Secretary to Government, with compliments

Opinion of Secretary L & L. Dept.
re Manganese

Secretary to Govt.,
Department.

C.36/38

of low grade ore have been steadily going up and are at present higher than they were in the month of May last. There would thus be no need or justification to reduce the Royalty

I do not quite understand the object
& description here as meaning
85) the matter on the document as
thereby meant the contract for the
year, as the subject has been violated
in the agenda for the meeting

den
23/9/24
Berlin

Dem Vorsteher.
(Ich bitte um [illegible]) 24.9 [illegible] 12 Uhr
[illegible]

86) concerned at the meeting
yesterday. Extract
Rechtsbeistand [illegible]

Strictly Confidential.

Office

The two questions arise for consideration:--

Firstly, whether the reservation of certain kind of minerals, to wit, Manganese can be made by Government throughout the State.

Secondly, whether a concession can be given to United Steel Company, i.e., a preferential treatment for the grant of a prospecting license &c., over an area comprised within a circle having within its centre Ayanur and a radius of 13 miles round it i.e., in other words whether a monopoly can be created by which that company will have exclusive right for prospecting for manganese ore and exporting the same from Mysore province in exclusion of all other persons.

The solution of these questions involves the consideration of law regarding monopolies and of the constitutional powers of the soverign or the State to grant such monopolies. It may be useful to examine the law on the subject as obtaining in England, America and British India. Such an examination will throw considerable light in solving these questions.

What is monopoly?

Monopoly means an exclusive privilege or possession or assumption of anything to the exclusion of other possessors. It is described as a power granted to any person or persons, bodies politic or corporate, for sole buying, selling, making, working or using of anything, whereby any person or persons, bodies politic or corporate are sought to be restrained of any freedom or liberty

that they had before or hindered in their lawful trade (See Coke 3 Inst. 181)

The essential ingredients of a monopoly is that all or nearly all articles of trade or commerce within a country or district is brought within the hands of one man or one set of men as to practically bring the handling or production of the commodity or thing within such single control to the exclusion of competition or free traffic therein, in other words, a monopoly as understood in law is an exclusive right, granted to a few, of something which was before of common right. (See Mr. Justice Story in Charles River - - - Bridge v Warren Bridge 11 Pet. 36 U.S. 420 607. 9 L.Edn. 773. Sen on Monopolies p.9).

English law.

Monopoly is always considered as one which prevented free competition and is - - - generally void at common law. The theory of English common law has always been that every individual must be left absolutely free to carry on what calling he likes, and to develop whatever sort of skill may be adequate to such calling. He must be able to earn an honest living by any lawful employment and for that purpose he must be left perfectly free. The monopolies have been denounced on the ground that these are calculated to raise the price of a commodity in respect of which the monopoly is enjoyed. Secondly, after the monopoly is once granted there is a tendency for the commodity to go down in quality, for, the patentee having the sole trade regards only his private benefit and not the common weal.

Thirdly, it throws honest and independent workmen out of employment and tends to the impoverishment of diverse artificers and others who before, by the labour of their hands in their art or trade, had maintained themselves and their families who now will, of necessity, be constrained to live in idleness and beggary. On these grounds it was held in the famous case Darcy v Allein (Co.84) that the grant of letter patent to trade exclusively in all playing cards was held - -- utterly void as being a monopoly and against the common law and diverse Acts of Parliament.

"It is now agreed that nothing can exclude a subject from trade but an Act of Parliament." (Bac. Abr. Vol.V. under head of monopolies.)

Common law rule in re: contracts in restraint of trade.

The principle of common law is that contracts in restraint of trade are against public policy and are void. The principle on which this rule is based is stated thus

"The general principles on which contracts in restraint of trade have been held to be in contravention of public policy and, in consequence, void, is that it is the duty of the law-making power to secure to every citizen, the right to pursue his ordinary avocation and to dispose of his labour, or the product thereof, without restraint and to protect the public from the evil consequences of an agreement under which it would be deprived of the benefits of competition in skilled labour. The law has regard, on the one hand, to the interests of the person restrained from labour or trade, protecting him from oppression or from the con-

consequences of an injudicious bargain, and, on the other hand, it takes account of the interest of the community in providing that it shall not be deprived of the benefit of his business or exposed to the burden of his support, as a result of his lack of employment."

The English courts have often struggled to bring about a reconciliation between the two apparently conflicting principles. One is that the public have an interest in every person's carrying on his trade freely: Every person has got a freedom of making any contract. The law is the protector of freedom both of contract and of trade and that it has to adjust the bounds of each. Agreements entered into which place restraint upon trade were generally held to be bad but some exceptions have been engrafted to this rule.

The present law as stated by Lord Macnaghten is as follows in Nordenfelt Case (1894) A.C. 535.

"The true view at the present time I think, is this: The public have an interest in every person's carryling on his trade freely: so has the individual. All interference with individual liberty of action in trading, and all restraints of trade of themselves, if there is nothing more, are contrary to public policy, and therefore void. That is the general rule. But there are exceptions: restraints of trade and interference with individual liberty of action may be justified by the special circumstances of a particular case. It is a sufficient justification, and indeed it is the only justification; if the restriction

is reasonable—reasonable, that is, in reference to the interests of the parties concerned and reasonable in reference to the interests of the public, so framed and so guarded as to afford adequate protection to the party in whose favour it is imposed, while at the same time it is in no way injurious to the public. That, I think, is the fair result of all the - - - authorities." This view is confirmed by House of Lords in Herbert Morris case -- - (1916 A.C. p.688 ~~and also~~ in Mason's case 1913 A.C. 724 and in Nepuon Mills Case in (1920) 1. Ch. D. 1. ~~the~~ the same view was taken.

It may be, and probably is, that jurisprudence has reflected the evolution of economic thought by accentuating at one period, freedom of trade, at another, freedom of contract; but the stage of balance and reconciliation which has now been reached is, in truth a reversion and reinstatement of perennial problem, set forth in the penetrating judgment of Lord Maccesfield in Mitchel v Reynolds i.e., 1 P.Wms. 181 and 189) decided 2 centuries ago.

The grant of special patents of monopoly by the crown originally instituted as a method of encouragement of new industries and large enterprises such as glass and steel, became greatly abused and all monopolies were decried in the sixteenth century. This led to the passing of the statute of monopolies. The effect of that is that in England no monopoly can now be granted except by an Act of Parliament. Patents, copyrights and Trade Marks are now governed by the Acts of Parliament. Were originally treated as exceptions to Commondaw.

American law.

In America the tendency of the legislature as well as the courts of justice has been to uphold the stringent restrictions of the common law of England and to put down with a firm hand any effort to create a monopoly. The courts there held "any combination, the tendency of which is to prevent competition in its broad and general sense, and to control and thus enhance the prices to the detriment of the public is a legal monopoly. (See People v North River Sugar Refining Co.,1889 L.L.R.A.3342, Sen p.406). The trusts, combinations, kartells &c., have all been put down in America. The Shirman's Act of 1890 or the Anti Trust Act 1890 as it is called was passed to protect trade and commerce against unlawful restraint in trade and monopolies.

Turning now to India, the law is contained in Sections 23 and 27 of the Contract Act. It is unfortunate that Section 27 of the Indian Contract Act is taken verbatim from New York draft Code Section 833. This section was introduced in America at a time when the cry of freedom raised with the Declaration of Independence rang in all departments of life and actitity in America. The curious result is that the Indian law reflects the strict narrow view of the common law. As shown above the rigour of the common law is to some extent softened, while the strict letter of the Indian law does not admit even of partial restraint of trade. In no case was the question as to legality of contracts in restraint of trade under Indian law was fully and thoroughly discussed as in Shaik Allu v Rameswaran Bhawath 9 Cal. Law Journal p. 216. Mukherji J

examined the law on the subject in India and held that "an agreement by a manufacturer of a certain place with a person of another place, under which the former agreed to supply the latter with combs and not to sell the same to any one else is void, as it restricts liberty of doing business."

The learned Judge further held that "the restraint from exercising lawful profession trade or business did not mean absolute restrictions and are needed to apply to partial restrictions, a restriction limited to some particular place. Contracts which impose an unreasonable restraint upon the exercise of a business, trade or profession are void but contracts in reasonable restraint thereof are valid; whether the limits prescribed in the contract are reasonable or not, depends on the kind of business to protect which the contract is made, and the reasonableness of the restraint imposed must be ascertained in every case by a reference to the nature of the business in question and to the situation of the parties. The question of the reasonableness of the restriction is one of law for the court. The learned judge approved of the rule that agreements tending to create a monopoly is against the public policy, as its effect would be to deprive the public of the advantages which flow from free competition. He generally approved of the American Law as to monopolies ~~in that case~~. He has reviewed all the Indian law on the subject and shown that the spirit of American law has a direct bearing upon the Indian law. In Somu Pillai v The Municipal Council, Mayavaram

Mayavaram (XXVIII Mad. p.520) the Madras High Court held that agreements having for their object the creation of monopolies are void as opposed to public policy under the English common law and under Section 23 of the Indian contract Act. They held that a Chairman of a Municipality has no power to grant a license to a person to have the monopoly of selling meat throughout the town. The learned judges of the Madras High Court have followed the general principles laid down ~~followed~~ in Logan v Pine 22, A.M. Rep. 261, which are as follows:--

"The power of Municipal Corporations is strictly confined within the limits prescribed by the statutes creating them and will not be extended by the Courts upon mere inference. It always depends upon express grant or must be necessarily implied as incident to other powers expressly granted or indispensable to the object and purpose for which the corporations were created. Doubts as to the existence of such powers must be resolved against the corporations and in favour of the public. Municipal Corporation can grant, if at all, exclusive privileges for the protection of business which, without prohibitory legislation would be free to all men, only under express legislative grant of power. Monopolies being prejudicial to the public welfare, the courts will not infer grants thereof, refusing to presume the existence of legislative intention in conflict with public policy."

Thus the Indian law is to the same effect as the American and English law on the subject.

To sum up, (1) the monopolies however created

have generally been regarded in modern times as opposed to the best interests of the whole people, depriving them, as it may, of the livelihood and enhancing as is its tendency, the prices they must pay.(2) In England nothing but an act of Parliament can grant monopolies at the present moment.(3) In America it is generally held that State Legislatures may grant exclusive franchise even despite or special constitutional provisions against deprivation of liberty and property, where this is shown in the particular case to be justified as a measure for the safety or interest of the public. (27 Encyclopaedia of Law and procedure 892).

Hindu law towards monopolies.

Any attempt on the part of traders to monopolise, i.e., to control the market for any given product and consequently to enhance its prices by combination amongst themselves was condemned by Hindu Law.

Power of Kings in ancient India to regulate prices.

That the Hindu kings had the power to regulate the prices of commodities, is (See Yegnavalkya Book II, verse 252 and Institute of Manu, Chap. VIII, verse 402).

Monopolies in India.

In British India the following monopolies have been exercised:--

(1) Legal monopolies granted by the Statute such as patents and designs Act 1911 Indian Copy right Act III of 1914, The law relating to Trade mark and Trade names.

(2) Customary monopolies such as markets and fairs, docks and cranes.

(3) The Municipal monopolies granted by the Regulations

Excepting these, the principal monopolies in British India have been those exercised and maintained by the Government.

Prominent monopolies among these are fiscal ones conducted with a view to revenue. Salt and opium occupy a conspicuous place. State monopoly in intoxicating liquors is essentially fiscal, although justifiable on other grounds as well. The case of Railways, Post and Telegraphs affords instances of State monopolies. From the history of municipal and Government monopolies, it will be seen that some articles are placed under Government monopoly for augmenting the revenues of the State; that some monopolies are defended on moral grounds while others are on political grounds resting on public good and that a large class of municipal monopolies is based on public health, public safety and public utility (See 27 Cyc. 874 and 895)

The object of State monopolies.

Government monopolies are legalised by Regulations while municipal monopolies are granted by the Municipal Regulations.

As to mining concessions, I am only aware of some concessions given in the case of Ruby Mines of Upper Burma (See Sen on Monopolies p.17 (footnote)) Whether this is granted by any Act or Regulation is not clear.

From the above examination of the law on the subject it is clear that the sine qua non for the creation of any monopoly relating to contracts in restraint of trade ~~is~~ are, first, reasonableness in the right created i.e., covenant should be such as to protect the interest of both the Government and the party in whose favour it is created, in other words the privilege should not be more than to afford a reasonable protection to the covenantee and secondly that it should be

reasonable in reference to the interests of the public.

"In every case in which it (the bargain) exceeds that protection, the public interest, which is always on the side of liberty, including the liberty to exercise one's powers or to earn a livelihood, stands invaded and can accordingly be invoked to justify the non-enforcement of the restraint." (Lord Shaw in Mason's case (1913 A.C. 724 at page 737).

In the case of other monopolies, these are based either on fiscal grounds or on grounds of public safety.

Turning now to the questions for consideration, two points arise.

Discussion of the two problems now before Govt

One is the justification for such a monopoly and the powers of the soverign to grant it. The Government are to be satisfied that either the revenue of the State would be augmented by the reservation of the manganese mineral to the State or that there is the existence of public interest demanding such a reservation. In other words, strong grounds should exist to suppress competition in manganese in the State for ~~the~~ an indefinite period. The mineral veats with Government and the Government are custodians of the ~~article~~ ore. They are to use it for the best advantage to the public as well as to Government and that they cannot lightly interfere with the free trade of people. The question is whether the revenue to the State will not suffer by preventing individuals from freely dealing with the manganese ore. It is for the Government to consider in

the light of law prevailing in other countries, whether the State will be justified in locking up its mineral resources and thus preventing free trade & possibly losing revenue at a time when there is demand for the ore.

As to the second question it is clear that the proposed preferential treatment in favour of United Steel Co., seems to be unreasonable and opposed to the interest of public. The main ground put forward in favour of the claim is that the company was the pioneer in the field and as such some protection had to be given to them.

It is to be remembered that the company is enjoying this protection since 1906, and that no one is allowed to prospect for the mineral in the preserved area. The reason for granting the privilege is that the company might take advantage of the privilege and vigorously prospect and obtain licenses to export the mineral. The Government did not intend that the mineral in the area should be preserved for the company without being dealt with. The company has taken full advantage of taking such of the blocks as they wanted for these 18 years and they have no right to complain that they have not been treated reasonably.

The effect of granting further privilege is that a large area where manganese ore is likely to be found will be reserved for the exclusive use of the company which will exclusively control the mineral and thus suppress competition. The question is whether such a monopoly can be granted.

As the right now claimed is not necessary for the protection of the interest of the com-

company, it may be injurious to public interest as shown above. This aspect of the question may have to be considered before granting such a monopoly which may be clearly opposed to Sections 23 & 27 of the Contract Act.

As to the powers of Government to create monopolies, I beg leave to submit the following for consideration of Government. From the history of monopolies, it is clear that the King in England cannot now create monopolies and that nothing but the Act of Parliament can do so. In America it is the legislature that can create franchises. In India all Government monopolies are legalized by Regulations. In Ancient India, Hindu soverign had the right to control prices of food stuffs as shown above. No doubt the prerogative right of His Highness the Maharaja to make and pass Regulations is reserved by Section 16 of M.L. Regulation XIX of 1923. But it is doubted whether under the Hindu law, soverigns have the prerogative right of creating monopolies. Such matters under consideration

The Legislative Council seems to possess powers to make laws and Regulations on all matters except those mentioned in Section 9. Section 9 does not prevent Legislative Council from making Laws and Regulations regarding monopolies. Hence it follows that the matter of creating monopolies i.e., granting exclusive privileges is within the cognizance of Legislative Council.

I therefore, humbly venture to place this constitutional aspect of the question for consideration of Government.

17.9.'24

C 106.9.24-5

39

Extract from the Proceedings of the 710th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 25th September 1924. *19*

66. Subject. - Clause xii of the schedule.

87) Question of development of Manganese industry.

OPINION OF THE COUNCIL.

The reservation of manganese ore may be withdrawn and prospecting licenses issued with same terms as per chrome, and preference given to approved applicants who are prepared to give the largest percentage of profits.

(Signed) A. R. BANERJI,
Dewan of Mysore.

Note.

The reservations will continue in respect of the blocks referred to in Sir Visvesvaraya's note.

"EXTRACT"

Chief Secretary to Government.

Subl to 2nd Member for final note.

Subl

88) Final note signed by the Member is placed in the file

S. N. Subl.

WD 1471—(DD) 2,000—1-3-21

Final Note by the Second Member of Council.

Subject:—

Renewal of prospecting licenses for manganese ore.

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94) The manganese ore in the State has been reserved for Government in Order No. I. & C.4728-34/Geol.46-22-8 dated 29th January 1923. Since this order was issued, a large number of applications for prospecting licenses for this mineral was received and all these were rejected. A few applications which were received for the renewals of the prospecting licenses already issued were also rejected on the ground that it was open to Government to renew the licenses or not at their discretion and that the licensees were not entitled to claim renewal as a matter of right. Some of these licensees whose applications for renewal were rejected have, however, applied for a reconsideration of the matter on the ground that they had incurred heavy expenditure over the exploitation of the mineral in the expectation of obtaining a renewal of their licenses or a mining lease according to the Rules and that they would be put to great loss if their licenses were not renewed. The United Steel Company, Ltd., of Shimoga, which is the pioneer of the manganese industry in the State have urged not only for the renewal of certain prospecting licenses which they had obtained prior to the issue of the order of January '23 but also for the grant of fresh licenses in the area comprised within a radius of 13 miles from Ayanur in the Shimoga District which had been specially reserved for them and in respect of which they had been given a definite assurance that they would be given preferential - treatment in the grant of prospecting and mining leases over the area and that applications from them for prospecting and mining licenses in the area would be considered when received.

The company have also represented that the present rates of royalty (Rs.1-4-0 on high grade ore and 12 annas on low grade ore) are too high, particularly in respect of the low grade ore and have requested that these rates may be reduced in which case they have offered to guarantee royalty on a minimum quantity of 20,000 tons of low grade ore annually.

40/ 2. When the papers came before me I expressed it as my opinion, after a consideration of the question in all its aspects, that the restriction in respect of manganese might be withdrawn and the issue of fresh licenses as also the renewals of licenses already issued might be sanctioned on the same terms as those recently laid down for chrome and that a concession might be shown to the United Steel Company in respect of the rates of royalty by reducing it to 6 annas per ton for low grade provided they guaranteed a minimum out-put of 20,000 tons as agreed to by them. The question was thereupon discussed in Council and it was considered desirable to obtain some further information regarding the basis for the calculation of royalty and the adoption of a sliding scale before arriving at a final decision in the matter. This information having been obtained from the Director of Geology, I found that the adoption of a sliding scale was attended with practical difficulties and that the rates of royalty now prescribed by Government were as high as the ore can bear at the present market value. I considered it, however, desirable to continue the reservation of manganese for the present but subject to certain restrictions and I accordingly formulated the following proposals in my minute dated 26th July 1924 for consideration in Council:-

Pages 8 to 11 of office Notes

Pages 12 to 20 of file

(1) The reservation of manganese to be continued except in respect of the area within a radius of 13 miles from Ayanur reserved for the United Steel Company, Ltd. to whom prospecting licenses may be issued over this area and renewed from year to year for a period of 3 years.

(2) In respect of prospecting licenses issued prior to the Government Order of January 1923, renewals to be sanctioned for a period of 3 years to licensees who have done bonafide prospecting work and spent money thereon in the expectation of obtaining a mining lease.

(3) The prospecting licenses issued under paras (1) and (2) above to be subject to the following conditions:-

(a) They will not carry with them a right to the grant of mining leases.

(b) Government should be given the first right of purchase of the ore at the market price, if it is required by them.

(c) Royalty to be paid at the present sanctioned rates of 12 annas per ton on low grade ore (below 44 p.c. and Rs.1-4-0 per ton on ore of 44 p.c. and above, the rate on low grade ore being, however, reduced to 6 annas per ton subject to the guarantee of a minimum out-put of 20,000 tons in the case of the United Steel Company, Ld. and of 3,000 tons in the case of other licensees.

91) 3. The proposals were discussed at the meeting of the Council held on the 21st instant when it was resolved that manganese might continue to be reserved except in the case of applications for renewal of prospecting licenses current before the reservation, that the renewals might be sanctioned subject to the condition that it would be from year to year and for not more than 3 years and that there would be no right to mining lease and that the other conditions proposed by me may be agreed to except with regard to the reduction of royalty on low grade ore, this question being reserved for further scrutiny after obtaining particulars regarding the recent fluctuations in the price of the ore.

Page 21 of office Note

92) 4. A Final Note soliciting the gracious approval of His Highness to the above resolution was put up by me on the

Pages 24 to 27 of do

25th August 1924. On this, the Dewan consulted Sir M. Visvesva raya who replied that the Mysore Iron Works had no objection to the grant of licenses for the exploitation of manganese except in respect of the area within a radius of 3 miles about Bikana halli selected in August 1919 out of the large area lying within a radius of 13 miles round Ayanur and in respect of the blocks situated either on or in close proximity to the Bhadravati Joldhal Tramway. After obtaining some further information from the Director of Geology regarding the prevailing market rates for manganese etc., the Dewan ordered the subject to be brought up again for discussion in Council. It was accordingly discussed in Council at the meeting held on the 25th instant. The Dewan having proposed at this meeting that advantage should be taken of the prevailing high prices of manganese and the great demand for it to dispose of as much of the ore as possible at the most favourable rates of royalty that could be obtained therefor, the Council resolved that the reservation of the manganese ore might be withdrawn and prospecting licenses issued on the same terms as those for chrome, (except in respect of the blocks referred to in Sir M. Visvesvaraya's note) and that in issuing licenses preference might be given to approved applicants prepared to give the largest percentage of profits.

93) 5. The terms on which prospecting licenses have been ordered to be issued for chrome and which are now proposed to be made applicable to manganese also are as follows:-

(1) That the license is to be renewable from year to year for a period of not more than 3 years, and is not to carry with it the right to a mining lease.

(2) That Government is to have the right to purchase the ore at market prices, if required by them for industrial purposes.

(3) That in addition to the prescribed rates of royalty, the licensee is to pay Government not less than 25% of the net profits obtained by him from the

business.

94) 6. I beg to sumit the resolution of the Council for the gracious approval of His Highness

SECOND MEMBER OF COUNCIL.

27/9/24

27-9-1924.

Submitted to His Highness.

95) *I submit herewith a Final Note by the* Second *Member of Council on the subject of* Renewal of prospecting licenses for manganese ore,

for His Highness' gracious approval.

Dewan.

30 SEP 1924

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Grant of prospecting licenses for Manganese Ore.

239

96) *Order.*

KRW

2/10/24

97) Resecy. with
letter as above
before Executive
Ct

G. R. S. III-2]

WD 2310—GPB—10,000—31-5-24

General and Revenue Secretariat. | Geol File No. 49 of 1924

Serial No.	
99)	Asst to write a draft 20/ 3/10/24 Sen Supt TG/w
100)	Submitted to H M KR 4.10.24

No. J.C. 2480-91. Dy. 4.10.1924

To ~~the Chief Inspector of Mines~~
the Dir: of Geology
" Chief Inspector of Mines
" Dir: of Agr
" Rev: Comr in Mysore
" Dy: Comrs of Dists.

Passes orders regarding the grant of Prospecting licenses for Manganese subject to certain conditions.

SRD 6/10

J2 ad member

101) Seen
As per para 2(a) order this may be communicated to the licensees stating that royalty is fixed 25% of the net proceeds. The attention of the licensees should also be drawn to the fact that 25% of the net proceeds (instead of gross output)

Necessary corrections with regard to wages should be made in the copies already issued and also in the copies in the file

Serial No.

102) Also, a "corrigendum" will have to be issued in the Gazette inviting applications for such posts in accordance with the rules now issued requiring the applicants to mention in their applications the percentage of reservation to which they will be entitled to appointment

103) Draft Notification
Make the changes desired by the Secretary. Intimate the latter to the Secretaries after they have already been sent - and also see that the correction is made in the printed copy of the copy which appears in the Gazette

Keep

SMM 7/10

104) Issue the addendum
Draft G.O. approved by the Asstt Secy & resubmit.

10/ Refer Secy's minute in Pgs 41-4 dated with a draft (typed) notice

8/10/24.

G.R.S. III-2]

Genl File No. 49 of 1924

Serial No.

108) Draft notice to case-

109) I have made the application, presentable to the Dy Secy as it is necessary that the applicant should come to Secr with details of the blocks concerned, and explanation regarding the appl contn.

110) The Secr will [illegible] with the [illegible] and then the applicant Dandapani Sahoo, [illegible]

[illegible]

224/9.10 [illegible]

[illegible]

Ans 12 [illegible] 10/10

112) Issue & Subsidy [illegible] SMR 11/10

113) Sett subsidy rate contn Suggestions

SMR

Rev Secy) 114) Appt [illegible]

115) Issue

14.10.24

SMR 14

NOTE—Contn. Sheet

Genl File No. 49 of 19 24

Serial No. 3

Notification no. 2689 dt 14.10.24

to the Comptroller, Mysore Gazette.

Request him to publish a notification inviting applications thro' the Dir. of Genl., from P-d for incorporation subject to certain conditions

116) Kind attention to Para 1 of notice dt no. 2689/Genl. 49-24-3 dt 14.10.24, and the time allowed for the receipt of applications is 15/11/24, but nothing has been recd. from the Dir. till now.

117) For orders.

24/11/24

118) It may take some time for the Dr of Forestry to Correct & Scrutinize the Apps. They may be availed the end of this month

SM 24/11

Rev Secy 119) Please remind the Dr

Expedite

120) Draft put up

25/11/24

121) Issue

SM 25/11

Issued No. 1 & 3 dt 26/11/24

57/12/24

GEN. & REV. SECRETARIAT
2 NOV 1924
INDUSTRIES & COMMERCE
BRANCH.

NOTE—Contn. Sheet

G.R.S. III-21

2744+2764

SV Estt File No. 49 of 19 24

Serial No. 2

From the Dist of Estt
No. 836 dt 28/11/24
states that the proposals for
grant issued W. Rolfe & Co.
Mineral Merchants Calcutta
in re the working of Manganese
Mines in Mysore & the disposal
of the ore
From Messrs W. Rolfe & Co.
No. M/N 782 dt 20/11/24
submit proposals for the same.
Copy & orders on the Rule
122) Previous applications & Cobs
put up.

(W) H.V.A
29-11-24.

123) The Dist has been requested on 26/11/24 to forward all applications that were received by him, as per orders of the Govt dt 25-11-24 & the reply has been awaited

124) Subd. for orders with applications from Messrs: W. Rolfe & Co.

28/11/24 Govt

5.12.24

125) The Dist. may be reminded of the applications that may have been received

The proposals made by

Serial No.

Refd. to as in note Consideration
The risks of production, analysis
and delivery to Contractors are
all ours. Only the marketing
is taken up by them and for
this the usual scale of re-
ports

234/6.12 11 SM

SM 6/12

I agree

do Agree

126) Subd. inviting a dft. reminder & a dft. SM 9/12
reply to Messrs: Rolfe & Co.

9/12/24

127) I believe the Adms have been
fed twice

SM 15/12

128) Applications have been read
this day & will be worked up sepa-
rately.

129) Draft reply to the firm
requires consideration.

130) For orders.

15/12/24 131) Draft Submitted

Issued. To Messrs: Rolfe & Co SM 15/12

9 No dt 4078 & 15/12/24
declines to accept the proposals
offered. No dt 4079 to the Adm

NOTE–Contn. Sheet

MIB 12562

G.R.S. III-2]

Ecl File No. 81 to 49 of 1919 24

From the Dir of Ecl
no 930 & 13.12.24
Invites application med. from
him for marriage & states that
for reasons stated the order of
4/10/24 requires revision
132) Sub d. with references
[illegible]
15/12/24

40 Serial No.

Separated & kept in Capital in the C-B

133) Dr Pensaa the Director
wants a recess duration of the
for under which the
Applications have been called
for If the Directors objections
are not to be considered,
the file will be ordered dept & Subd
with a tabular Statement.
134) Besides disagreeing with
the first and complaining that
he was not Consulted in
the matter the Director has
referred to certain Correspondence
with the Residency Dr.
References will be traced
& the Case fully worked up
if Some time is given
135) The file is Submitted
as per instructions of the
Rt Secy

SMD 13/12

NOTE—Contn. Sheet

Rec Secy

Serial No.

136) As directed by the Dewan on the abstract of tappal for the 13th instant the report made by the Director of Geology in forwarding the applications for prospecting licenses over manganese blocks is submitted for perusal. I have underlined in the passages in the Director's letter which are couched in objectionable language.

137) The main burden of the Director's criticism is

(i) That Government have taken upon themselves the responsibility of passing orders fixing conditions subject to which prospecting licenses should be issued.

(2) That the conditions imposed are such as no man of business of experience and self-respect can reasonably accept.

(3) That he being obviously the Technical Adviser of Government he is held directly responsible for the present Government Orders although reality he is not

(4) That he is not sure if a reference has been made to the Residency and the approval of Government of India obtained in regard to ~~him~~ raising the royalties.

138) He concludes by saying that Government should reconsider their orders and not encourage a questionable and unsound policy by accepting applications on the terms offered.

139) The attitude assumed by the Director is one of strong disapproval of Government's policy. The substance of the letter as well as the language in which

it is couched appear to be very unsuitable having regard to the fact that the communication is one made in the usual course of business and is not even marked confidential.

Serial No.

140) I have put up an abstract of the applications that have been received by the Director and which he has forwarded with his letter. The recommendations made by the Director are based on the hypothesis that the Government Order is fundamentally wrong and action should not be taken in accordance with it. For instance in the cases of 1, 2, 3, 4, 5 and 8 he has made recommendations in favour of parties who have accepted the conditions included in the Government Order sanctioning the issue of licenses for a period of 3 years and have not paid the fees that are payable.

141) I may add that the Director of Geology is entirely wrong in his that the approval of Government of India is necessary. I may invite the reference to the Secretary to the Resident's letter No.6156 dated 4th August 1923. That letter contains the present policy of Government of India in respect of the issue of prospecting licenses and mining leases relating to the mineral resources of Native States. There is no reference in that letter to any limitation on the of a State to impose the royalties that it considers suitable. Actually in practice when the rules of royalties were revised in recent years sanction of Government of India was not obtained. Nor was it

Serial No.

necessary. The anxiety of the Government of India seems to be confined to the prevention of the grants of any large concessions to foreigners to prevent surrender of adequate control over essential minerals by granting long leases over large areas. Under our rules the permission of Government of India is necessary and the Government of India have been supplied with copies of our rules. The Director of Geology is apparently ignorant of the standing orders on this subject.

Has been separately called for

NOTE–Contn. Sheet

Serial No.

105) In response to the notice issued to the Gujarat Co. calling for applications for prospecting licences for manganese.

21 applications have been received in respect of this block specified in the annexed statement. Some of the applicants have offered to pay any portion of the net profits: while others have offered to pay 25% & 35% of the net profits in addn to the royalty.

2b) The Dir of Geology in forwarding the several applications with his letter of 13th Dec. 1955 recommended the claim of Messrs Sevenby in respect of this block as being supported by evidence of their financial & technical capacity to undertake such a risky undertaking. The communication he forwarded & of an entirely unexpected character being a subordinate officer of Govt whose duty it is to loyally assist his final authority Govt. who, if he wishes it offer any advice or suggestions for his consideration & such orders, should do so respectfully in a courteous unobjectionable manner

~~He~~ Mr Jagavan having come to see me on some other business we discussed this matter & drew his attention to

NOTE—Contn. Sheet

Serial No.

the Rights Reclamation Tenure & Conveyance
Ghats Commn and the Chief Engineer has
regret for it says that it was not his
intention as also
to his I assume an opportunity to
Superintending Engineers offices & withdrawn by
the Commn the Govt accordingly was not
a pursuant D.O of 26 Dec (Remarks Govt by
Requesting the return of his Confidential for
being replaced
by a revised & modified one which he
says he will send in its place

147) It is for consideration whether
action on the Circumstances Explained
by Mr Jayaram that his request for
the return of this Commn may be complied
with with a warning against their
from impropriety & conduct in future

148) Copies now of the several applications
that have been so far received.
Kindly that no consideration need be
given to applications from persons
who have not offered to pay any
fees, & the rest & proofs

149) For those who have offered to
pay a percentage of net profits
in addition to the regular Revenue
under the Rules in force Copies of
agreements have the following may be

NOTE—Contn Sheet

G.R.S. III

File No. of 19

5

approval (when I have underlined
what to do)

(1) Ram Lobo Ram Lobo

(2) Sarojini area Mr Trevelyan
Mr Rahim Sir

(3) Jamshedpur Mr Peterson
C.P. Rail

(5) Kalyanpur Mr Trevelyan
(Mr Rahim)

(4) Karachi Mr Singh
Harbour Nagpur
(C.P. Rail

(5) Hyderabad C.B. Dhaka
(Chanda)

(6) Bardi (the papers & real pro
as to how
are to be mentioned when the
conference with the Dewan on
Land Revenue proposals for the
new Prospecting licences for Chro

J.C.
2/1

Dewan

1st) The Dewan agrees with the
remarks about his recommendations 2.1.
about the Prospecting licences. Certificat
of approval must be produced by
who do not possess any. As re
the form of the letter from the Dr. T
the proposal to withdraw cannot be
not come voluntarily. The matte
in Council

1st) Draft

R. S III 2]

WD 2310—GPB—10,000—31-5-24

General and Revenue Secretariat.

Genl File No. 49 of 1924

Serial No.

153) A Sft is put up for Consideration

SAR
9/1

Rev Secy

List of applicants for prospecting Licenses for Manganese.

Sl. No.	Name of block.	Area.	Names of applicant.	conditions offered.	Director's recommendation.	Remarks.
1.	Sivagange area Holalkere Taluk.	3¾ Sq.Miles 1 Sq.Mile 1 Sq.Mile	(1) Messrs. Oakley Duncan &Co (2) Mr. Singri Nanjappa (3) Mr. C.M. Tresslor	Nil. 30% net profts. 35% "	Recommends in -- favour of -- Messrs. Oakley Duncan & Co., even though the application fee has not been -- paid as required by rules as in the case of the other applications in question.	
2.	Muderi (Gubbi Taluk)	5½ Sq.Miles	Peninsular Minerals & Co.	No offer of percentage.	Prospecting license may be granted in case they pay the fee for the renewal of the Approval certificate and the fee in respect of the application and reduce the area by 1½ miles.	
3.	Manchekatte (Gubbi & Chicknayakanhalli Taluks)	8 Sq. miles.		-do-	Recommends over an area of 4 sq.miles in case the application and renewal of certificate of -- approval fees are paid, On the north portion of Janehar block applied for by Mr. S.S.Setlur and on the west a corner of Honnebagi block applied for by Mr. Naziruddin Khan are included.	
	Janehar	6 Sq.miles.	(1) Peninsular Miners Co.,)	No offer of	May be reserved for	

	kanhalli Tk.)		(3) Mr.S.S. Setlur	percentage. (Mr Setlur's case is under Consideration Spl.Cell/19)	
		4 sq.miles (4)	A.H. Burnett	35%	
5.	Keshapur (Holalkere Tk)	4 Sq miles.	(1) Mr. C.B. Oakley	No offer of p.c.	Recommends in favour of Mr. B. Sripada Rao.
		4 Sq. miles	(2) Mr. C.M. Tressler	35%	
		2 Sq. miles	(3) Mr. B. Sripad Rao	No offer of p.c.	
6.	Honnesagi (Chikkanaya-kanhalli Tk)	1 Sq.mile	Mr. Naziruddin Khan	No offer of p.c.	Does not recommend, because a portion of it is included in block sl 3 -- applied for by the Peninsular Company.
	Siddarnalli and Balekatte (Shimoga and Tarikere Taluks.)	4 Sq.miles	(1) Mr. T.Laksnmaiya Setty	20%	May be simply -- reserved to Govt.
		$3\frac{3}{4}$ sq.miles	(2) -do-	No offer of p.c.	
		$3\frac{3}{4}$ Sq.miles	(3) Mr. C.B. Dessi		
			(4) " A.G. Senapati	25%	
	Karekurchi and Hatyal (Chicknaya Kanhalli Taluk)	3 Sq.miles	(1) Peninsular Company	No offer	May be reserved to Government at present.
		Not given.	(2) Mr. A.S. Senapati	25%	
		1 Sq. mile	(3) Mr. Sringri Nanjappa	30%	
		1 Sq. mile	(4) Mr. Naziruddin Khan	No offer	
	Harlinalli etc. Channagiri Tk.	$4\frac{1}{2}$ Sq.miles			

File No.

Serial No.

154) Draft prepared as per instructions
of the Secy & approved by him
is f already in the file

155) If approved separate
drafts will be prepared in each
residual Cases & filed

20
21.1.25.

Yes If agt. approved
drafts will be prepared & in the same form

156) Rev Secy

81/1

157) Please put up
the connected file re deputation
of the Secy & Mr Venkatarowiah, to
Select halfa dozn blocks of manganese & chrome area
that may be profitably worked by Govt

Govt. 87-23 (Flag Q) Instructions
licenses & issued

158) In view of the fact that
Govt have recently deputed two
Officers of Geological Dept. to investigate & select half
a dozn blocks of good manganese & Chrome-
Flag Q. Ores that may be profitably examined to ascertain
the mineral resources
it is for orders if the above licenses are
to be issued.

Rev Secy)

100
5.2.25

159) The licenses may be
at once, without further delay, in terms contained in last para
of this note, in accordance with the provisions
of 2/11/25 which have been approved
by Govt. vide

NOTE—Contn. Sheet

Serial No.

It is to be regretted that in some
of the licences the date of delivery has
been left open a month
160) The Secretary orders may be sent
for my personal application before
noon

Chief Clerk

161) Despatch

17th

Sec 13) To

The Director of Genl.
Mos. & Stations 7/2

With reference to the existing Arrangements
subject to certain conditions, for
transporting licensed

3026 3029

General and Revenue Secretariat.

R & L File No. 46 of 19 24

Serial No.

163) final orders of Govt. have been communicated to the Collr of East in cases referred to in Sls 1, 4, 6 & 9 on the list.

164) of the remaining Cases three persons out of 4 that have applied for the block referred to in 7 offer higher per centage of profits than the others & that the other applicants (referred to in Sls 2, 3 & 6) make no mention of it (profit).

165) The Case of Nek Nasrudden Khan has been separately filed for orders in connection with his application to Govt

166) Orders of Govt. seem necessary in the above Cases (Sls 2 3 & 7) to avoid further representations on the subject. 167) To above

11.2.28. Revenue

168) Plans as mentioned in orders — Sketches for 2 & 3 have been rejected — as per order of profits has not been made — As regards 7 Dist has said that the block may be granted

169) Dept. Sketch — Plans mentioned in paras 1 & 2 of the order

NOTE—Contn. Sheet

Serial No.

Submitted with a draft
2.25

Sl (15) 70

The Director of Geol
No. C. 5746 & 5 dt/2.

Re continuation of Sl (13) Statement
the applications from M/s Peninsular
Minerals Co. Ltd for the grant of
licenses over Udayan and Mandukal
blocks may be rejected & requests
them informed whether T.L Selby &
Co. Ltd desire that their applications
for Siddanahalli & Balekalla
blocks should be entertained as
they have been reserved for Govt.

65

G R S VI G 34]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section Gen

File No. 69-24

Serial No. 1

General and Revenue Secretariat

( )

the 192

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue.....

Signed by.....

Read—

G.O no P.C. 4728-34f Genl 47-22-8 & 29th Jany 1923 reserving Mica, Manganese and other minerals throughout the State.

May this be

i Printed ?

ii treated as a standing order ?

iii published in the Gazette. English Part ?

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

Order Thereon **No.** P.C. 2480-91/Genl 69-24 & 6-10-24.

In view of the fact that there is a large extent of private enterprise coming forward for the exploitation of manga-

Govt should have the
right to purchase the
ore at market prices, if
required by them for purposes
under this

(8) In addition to the
prescribed rates of Roya
and other fees payable
under the existing ru
the licensee shall ~~be~~
bound to pay 25% of
net profits obtained
by him from the
business regular
correct accounts of
which shall be
maintained by him
in such form an
in accordance w
such rules as may
be prescribed by
Govt It must be
open to Govt to

disallow excessive or
abnormal expenditure
on establishment while
in any case
keep down net profits
Preference will be given
to applicants who are prepared
to give the largest percentage of profits
(2). Subject to the above
conditions licenses will be granted
to those best able to
conduct the business
to the satisfaction of the Commissioners
the rules now in force
for the grant of brewers
licenses in the State

Secy to Govt
Rev Depts

The Dir. of Ecology
I &c
Chief Inspector of Mines
Revenue Circs.
Rg. Comrs. of Wells
Govt Tobacco Expert

WD 1243—GPB 10,000—25-1-19

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

O. No. C. 2480-91/Genl.69-26-1 DATED 4th October 1926

May this be

i. printed? yes

ii. treated as a standing order? yes

iii published in the Gazette English Part? yes

iv. translated? yes

v. placed at the disposal of the press? yes

vi. published in the Gazette Kannada Part? yes

Prospecting licences for Manganese

Passes orders re the grant of subject to certain conditions.

A1236

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

J. O. No. I. C. 2480-91—Geol. 49-24-1, dated Bangalore, the 4th October 1924.

Prospecting Licenses for Manganese.

Passes orders *re* the grant of—— subject to certain conditions.

READ—

Government Order No. I. C. 4728-34—Geol. 47-22-8, dated 29th January 1923, reserving Manganese and other minerals throughout the State.

ORDER NO. I. C. 2480-91—GEOL. 49-24-1 DATED BANGALORE, THE 4TH OCTOBER 1924.

In view of the fact that there is a large extent of private enterprise coming forward for the exploitation of Manganese and of the large demand for it, Government are pleased to relax the reservation of this mineral to the extent indicated in the second para of this order, except as regards the following areas in respect of which the existing reservation will be continued:—

(i) The area included within a radius of three miles from Bikanhalli in the Shimoga District;

(ii) All blocks situated either on or in close proximity to the Bhadravati-Joldhal Tramway.

2. Prospecting licenses for Manganese may be granted to approved applicants subject to the following conditions:—

(*a*) Licenses will be renewable from year to year on the application of the licensees for a period of not more than three years, but without the right to a mining lease.

(*b*) Government reserve the right to purchase the ore at market prices if required by them for industrial purposes.

(*c*) In addition to the prescribed rates of royalty and other fees payable under the existing rules, the licensees shall pay to Government not less than 25 per cent of the net profits obtained by them from the business, regular and correct accounts of which should be maintained by them in such form and in accordance with such rules as may be prescribed by Government. It will be open to Government to disallow excessive or abnormal expenditure on establishments which may be charged in order to keep down net profits.

(*d*) Preference will ordinarily be given to approved applicants who are prepared to give the largest percentage of profits.

(*e*) In addition to the foregoing conditions, the licensees will also be bound by all conditions set forth in the rules now in force for the grant of Prospecting Licenses in the State.

K. V. ANANTARAMAN,
Secretary to Government,
Revenue Department.

To—The Director, Department of Geology.
The Director of Industries and Commerce in Mysore.
The Chief Inspector of Mines in Mysore
The Revenue Commissioner in Mysore.
The Deputy Commissioners of Districts.
PRESS TABLE

Exd.—K. S.

Proceedings of the Government of H.H.

the Maharaja of Mysore.

Read:-

G.O. No.IC.2480-91/Geol.49-24-1 date
4th October 1924, passing orders regarding
the grant of Prospecting Licenses for
Manganese subject to certain conditions.

O r d e r No. IC. 2563-74

Dated 7th October 1924.

Dated 7/10/24.

In line 2 of condition (c) of para 2 of the order read above, insert "not less than" between the words "Government" and "25 per cent" The sentence as amended now will read: "the licensees shall pay to Government not less than 25 per cent of the net profits etc."

Signed by Mr S.N. Rao

S Narayana Rao

for Offg: Secretary to Govt.

Revenue Deptt.

To

The Director, Department of Geology.
The Director of I.&.C.
The Chief Inspector of Mines in Mysore.
The Revenue Commissioner in Mysore.
The Deputy Commissioners of Dts.

Press Table.

Geol. 49-24-3

IC 2689 dt 14/10/24

Notice.

Government in their Order No.IC.2480-91/ Geol.49-24-1 dated the 4th October 1924 having partially removed the reservation of manganese in the State, it is hereby notified that applications for prospecting licenses for manganese blocks other than those comprised in the marginally noted localities will be received by the Director of Geology up to the 15th November 1924 from persons who have obtained certificates of approval under the rules.

*1. The area included within a radius of 3 miles from Bikanahalli, in the Shimoga District.

2. Lands situated on or in close proximity to the Bhadravati-Joldhal Tram way.

2. Information should be given in the appli cation regarding the area and other details o the block for which license is required and the percentage of net profits which the licen see is prepared to pay. Preference will be ordinarily given to approved applicants who offer the highest percentage of the net prof

3. The final acceptance of the application will rest with the Government who reserve the power to reject any application without assig .ng reasons.

4. The grant of prospecting licenses will b subject ~~the~~ to the following conditions:-

(a) The licenses will be renewable from year to year on the application of the licen- sees for a period of not more than three years but without the right to a mining lease.

(b) Government reserve the right to pur- chase the ore at market prices, if required by them for industrial purposes.

(c) In addition to the prescribed rates of royalty and other fees payable under the existing rules, the licensees shall pay to

offered by the applicant and accepted by Govt

2) ~~to~~ fixed by mutual agreement.

Government such percentage of the net profits exceeding 25 per cent as may be fixed by Government on the applications received for the ~~block~~ They shall maintain regular and correct accounts in such form and in accordance with such rules as may be prescribed by Governmen It will be open to Government to disallow excessive or abnormal expenditure on establishments which may be charged by the licensees with a view to keep down net profits.

(d) In addition to the foregoing conditions, the licensees will also be bound by all conditionsset forth in the rules now in force for the grant of prospecting licenses in the State.

By Order

Revenue Secretary to Govt.

Issue & Submit.

NOTICE.

Government in their order No. dated 4.10.24 having partially removed the ~~restrictions placed on the mining~~ reservation of manganese in the State, it is hereby notified that applications for prospecting licenses for manganese blocks ~~except the~~ comprising in the Bikanhalli (i) the area included within a radius of 3 miles from ~~the~~ Bikanhalli in Shimoga District and (2) ~~all blocks situated either~~ lands chiefly on or in close proximity to the Bhadravati-Joldhal Tramway be received by the Director of Geology up to the 15th of November 1924. Persons who have already applied for prospecting licenses will be considered.

2. Information should be given in the application regarding the area and other details of the block for which license is required, and the percentage of net profits which the licensee proposes to pay. Preference will be given to approved applicants.

3. The final acceptance of the application will rest with the Government who reserve the power to reject any application without assigning reasons.

Prospecting licenses ~~for manganese~~ will be ~~granted to approved~~ applicants subject to the following conditions:-

(a) The Licenses will be renewable from year to year on the application of the licensees for a period of not more than 3 years but without the right to a mining lease.

(b) Government reserve the right

to purchase the ore, at market prices, if required by them for industrial purposes.

(c) In addition to the prescribed rates of royalty and other fees payable under the existing rules, the licensees shall pay to Government ~~not less than~~ such percentage not exceeding 25 per cent of the net profits, ~~regular~~ 25% as may be fixed by Government from time to time and correct accounts ~~of which should be~~ maintained by them in such form and in accordance with such rules as may be prescribed by Government It will be open to Government to disallow excessive or abnormal expenditure on establishments which may be charged by the licensee under a ~~in order to~~ keep down net profits.

By law on the application is necessary for the House. By State matter of policy

(d) Preference will ordinarily be given to approved applicants who are prepared to give the larget percentage of profits

(e) In addition to the foregoing conditions, the licensees will also be bound by all conditions set forth in the rules now in force for the grant of prospecting licenses in the State.

By Order

Secretary to Government,
Revenue Department.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General & Revenue Secretariat,

Dated (Camp) Mysore, the 13th October 1924.

IG

Government in their order No.IC.2480-91/Geol 49-24-1 dated the 4th October 1924 having partially removed the reservation of manganese in the State, it is hereby notified that applications for prospecting licenses for manganese blocks other than those comprised in the

1. The area included within a radius of three miles from Bikanahalli in the Chimana District 2. Lands situated on or in close proximity to the Haadravati Joldhal	marginally noted localities will be received by the Director of Geology up to the 15th November

1924 from persons who have obtained certificates of approval under

shall maintain regular and correct accounts in such form accordance with such rules as may be prescribed by Government, will be open to Government disallow excessive or abnormal expenditure on establishments which may be charged by the licensees with view to keep down net profits.

(d) In addition to the foregoing conditions, the licensees will also be bound by all conditions set forth in the rules now in force for the grant of prospecting licenses in the State.

Yours truly,

S. Narayana Rao

7P

B50—WD 0527

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

192

Date of issue 26/11/24

Signed by [illegible]

J. Dept

Section Genl

File No. 49-24

Serial No. R.

No. I.C 3618

To The Dir. of Genl

Sir

I am instructed to invite
your attention to paras 1
& 3 of Govt. Notice of even No. I.C.
2689/Genl 49-24-3 of 14.10.24
inviting applications for
prospecting licenses for
manganese. I am directed
to enquire
to request you to state
whether any applications
have been received by
your office if so to forward
the papers early with
your opinion as to the stipulated
date. viz. 15th Nov 24

over

before which applications
should have been received

is already over.

I have the
SWD 28/11
Fur Secy to Govt
Rev Dept

24828

M. G. D. 12]

No. 836 Misc

Dated Bangalore, 28th November 1924.

From

B. JAYARAM, Esquire, F.G.S.,
Director, Mysore Geological Department.

To

K. V. Anantaraman, Esquire, B.A.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Revenue Department.

Sir,

I have the honour to submit herewith for the orders of Government a copy of letter, dated 10th October 1924, from Messrs. H. Rolfe & Co., Mineral Merchants, Calcutta, submitting certain proposals regarding the working of manganese mines in Mysore State and the disposal of the ore. It is purely a commercial proposition. The Company wants the State to mine the ore, guarantee analysis and deliver it to contracts F.O.R. nearest Railway Station. The Company undertakes to pay all charges and arrange for the sale of the ore at accepted rates. The sale value will be paid 80 % on shipment and the balance of 20 % after 15 days of arrival at port of destination and verification of weight and analysis. Of the net profits derived in the business the Company agrees to pay 50 % to the Government.

This proposition of the Company does not commend itself to me.

I have the honour to be,
Sir,
Your most obedient servant,

B. Jayaram

Director,
Mysore Geological Department.

Letter, dated 10th November 1924, from Messrs. H. Rolfe & Co., Mineral Merchants, Calcutta, to the Director, Mysore Geological Department.

We understand you are inviting applications for leases for the working of mines of manganese and chrome, in the State of Mysore also for proposals by which the State may participate in the profits

These applications having to be submitted by the 15th instant. In this connection, We have the pleasure to place before you the following proposal.

That in the event of the Mysore State reserving a portion of the Mining Areas, and deciding to work the mines in these reserves, in connection with a firm prepared to undertake the commercial part of the proposition, We may say, We are prepared to do so on the following terms.

The State to mine the ore and guarantee the analysis and delivery to Contracts, and place the ore F.O.R. nearest railway station. We to receive the ore at the shipping Port, Pay the Railway Freight, all Unloading, Stacking Charges, Rent, Shipping Charges. We to arrange for the sale of the ore at accepted rates, and terms to the best advantage to the State. Offers to be always submitted to you for acceptance. We to arrange for 80%- of the selling value on shipment to be paid against a credit in a Madras Bank. The balance of 20% to be paid after 15 days of arrival of port of destination, and verification of weight and analysis.

We may say, We are in touch with many of the potential buyers in Europe.

The division of nett profits to be 50% to the State, and 50% to ourselves.

Receipts

Receipts and payments to be made through the Imperial Bank of Madras, who would disburse accordingly.

Please to allow this letter to be filed as an application.

Trusting the above will receive favourable consideration.

Copy.

B. Fayaz Nawl

Director,
Mysore Geological Department.

C.N.

POST BOX Nº 186.

H. ROLFE & Cº

TELEPHONE. 2085.
TELEGRAMS: "HIEROPHANT" CALCUTTA.
CODES A B C 5TH EDITION.
"LIEBERS" WESTERN UNION Etc.
BENTLEYS.

ENGINEERS AND CONTRACTORS
MACHINERY
AND MINERAL MERCHANTS

3/1 Mangoe Lane,
Calcutta November 20th. 1924

REF Nº M/M 782.

Gvol 43-24 8
D 27645

To the Dewan, to the
Government of Mysore,
Bangalore.

GEN. & REV. SECRETARIAT.
29 NOV 1924
INDUSTRIES & COMMERCE BRANCH.

Dear Sir,

Copy sent from the Dir. with his letter 20.836 29-11-24

We have the honour to refer to our application for a Mining Lease, dated 10th instant

Our terms we understand are not acceptable. We beg to explain and modify our application.

Our offer was for the Government of Mysore to mine under the supervision of their Mining Engineer and his Contractors, and place in wagons the Manganese Ore, the Government paying all expenses to this point. We to undertake to pay the Railway freight to Madras. We to ship and pay all F.O.B. charges, and also to find purchasers at the best possible rate. The cost of our share of expenses we reckon would be equal to the cost of mining and placing into wagons, say, Rs 12/- per ton in each case, which would mean Rs 24/- F.O.B. Madras . We would certainly get Rs 40/- per ton at least for good Ore, F.O.B. Madras. The net profits being divided 60 % to the Government of Mysore, 40 % to ourselves, the Government guaranteeing quality and weight.

If the above is not acceptable, We would do the mining if the Government would finance to the extent of the cost of the ore on rail, and the profits equally divided.

Yours faithfully,

H Rolfe & Co

83

G. R. S. VI–G-32] B50—WD 0527

SUBJECT

Diary No. of letter replied to

General and Revenue Secretariat
( )
the 192

Date of issue 15/12/24

Signed by Mr. S. N. Roy

Section Genl
File No. 467-24
Serial No. 9

No. G.T. 4078

To Messrs Rolfe & Co
3/4 Mangoe Lane
Calcutta

Gentlemen,

With reference to your letter No. 14/N.782 dt. 20/11/24 submitting certain proposals regarding the working of manganese mines in Mysore & the disposal of the ore, I am directed to state that Govt. of H. H. the Maharaja regret they cannot accept your proposals.

I am etc.

for Secy. to Govt.

over

P.T.O.

8

Memo No T. 4079 dt 15/12/24

Copy forwarded, with compliments, to the Asst. of Govt with reference to his No 836 dt 28/11/24

By order

SMD 15/12

Asst. Govt.
Rev. Deptt

29/12

J. C 4165
G.D. 49-24

85 33

December, 18, 1924.

Urgent.

Dear Sir,

I am desired to request you to be so good as to forward in original all the applications for Prospecting Licenses for Manganese received in answer to the Notification issued in October last. The matter may kindly be treated as Urgent.

Yours sincerely,

To

B. Jayaram Esq F.G.S.

G. R. S. VI-G-321

B50—WD 0527

SUBJECT .....

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Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *192*

Date of issue .....

Signed by .....

Section

File No.

Serial No.

No.

To the Dir. of Ent

.....

Sir

With reference to your letter No. & I am directed to convey Secretary of Govt. to the grant of a prospecting licensee for manganese to the Gentlemen named in the margin ~~of Esq. Miles of land in the Taluk as per sketch accompanying your said letter~~

The licensee will in addition to the usual fees for the grant of

over

per accompanying bill against Works Budget to be drawn out against the

of prospecting licenses
be subject to the specials
conditions set forth in
G.O. No. R.C. 2480-91/Rev.
49-24-1 dt 4.10.24 viz
(1) the licensee shall, in
addition to the prescribed
rates of royalty & other fees
payable under the existing
rules, pay to Govt 7%
of the net profits obtained
by him from the business,
& (2) that he should maintain
regular & correct accounts
in such form and in
accordance with such
rules as may be prescribed
by Govt. & that it will be
open to Govt to disallow
any excessive items
of expenditure that may
be charged by the lessee in
debiting the accounts for
management & other items

quarterly returns in the
form to be prescribed
by Govt. should be obtained
from the licensee & duly

G. R. S. G/33]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

to Government

SMR 9/1

Leg & Gov

Rev 2/44

No I.C 5457 Geol 49-24-13

To

The Director of Geology in Mysore.

Sir,

With reference to your letter No. 430 dated 13/12/24 I am directed to convey sanction of Government to the grant of Prospecting Licenses for Manganese to the gentlemen mentioned in the accompanying list for the blocks shown against their names and subject to the terms indicated against them.

The licenses will, in addition to the usual rules for the grant of prospecting licenses be subject to the special conditions set forth in G.O.No.I.C 2480-91/Geol 49-24-1 dated 4th October 1924.

Quarterly returns in the form to be prescribed by Government should be obtained from the licensees and submitted to Government.

I have etc.

Secretary to Government.
Revenue Deptt.

LIST OF APPLICANTS FOR PROSPECTING LICENSES FOR MANGANESE.

Sl.No.	Name of Block.	Area.	Name of applicant to whom the license may be granted. --	Conditions offered.
1.	Sivagange area, Holalkere Taluk.	1sq.Mile	Mr.C.M.Tresslor	35% net profits.
2.	Keshapur, (Holalkere Tk.)	4sq.Mile	" C.M.Tresslor	35%
3.	Karekurchi ~~and Hatyal,~~ (Chicknayakanhalli Tk.)	1sq.Mile	" Singri Nanjappa	30%
4.	Hurlihalli etc., (Channagiri Taluk)	4½sq.Miles	" C. B. Desai	30%

G. R. S. VI—G/32]

91

SUBJECT.....

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Diary No. of letter replied to—————

and

Section Revenue

File No. 49-24

Serial No 15

General and Revenue Secretariat

( )

No. I.C 5748

the *191*

Date of issue 26/2/25

Signed by V. V Sup

To

The Dir. of Geol

Sir

In continuation of the
office No. I. C. 5458/Geol 49-24-43
dt 7-2-25 conveying sanction
of Govt. to the grant of
Prospecting licenses for
Manganese over certain
blocks I am directed to
state that applications
from the Peninsular
Minerals Company Ltd

over.

for the grant of licenses over
Mundemi Kanchistalla
blocks mentioned in my petition
as they have not appeared
any fear contrary to public
I am also to add that
Messrs J. L. Lett & C. B. Dessai
may be informed that
their applications for
Vidalanahalli & Balehalla
blocks cannot be entertained
as the said blocks have
been reserved by Govt

I have &c

Sd/-
Secy to Govt
Rev Dept

24/2